

What You Should Know About Privacy Notices

consumer**brief**

Federal law requires financial institutions with which you have an ongoing customer relationship to provide you with an annual privacy notice. Every bank, credit card company, insurance company, security firm or other financial institution must send its customers a privacy notice that: (1) describes how it handles personal nonpublic information; and (2) explains how customers can take action to limit the disclosure of their personal information to others. **Under this law, your financial institutions may share your personal information with other businesses unless you specifically tell them not to do so.**

THE BURDEN IS ON YOU TO ACT.

More than 1.6 trillion privacy notices are provided by financial institutions every year. Please review the information below, so that you will be prepared to take action when you receive your privacy notices.

WHEN WILL I RECEIVE PRIVACY NOTICES?

You should receive a notice every year. Even if you do not have an ongoing customer relationship, you must be given a privacy notice if a financial institution has personal, nonpublic information about you that it wants to disclose. For example, if you purchase or apply for a financial product or service, that financial institution cannot disclose your nonpublic, personal information without providing you with the same privacy notice that it must give its customers.

WHAT MUST A PRIVACY NOTICE CONTAIN?

1. A list of the types of nonpublic personal information it collects.
2. A list of the types of nonpublic personal information that it discloses to others.
3. A list of the types of related and unrelated businesses to which it discloses nonpublic information.
4. If the business contracts with unrelated businesses for services or joint marketing, it must list the types of businesses with which it has contracts and the types of nonpublic personal information that will be disclosed for these purposes.
5. Details regarding how it may share personal information about former customers.
6. A statement that other disclosures may be made as permitted by law.

A privacy notice must also contain a description of how you can take action to keep your nonpublic information from being disclosed to others. The right to take action to keep your information private is often called a right to “Opt-Out,” because it gives you the opportunity to take action to exclude your personal information from future disclosures.

HOW DO I PROTECT MY PRIVACY?

A privacy notice will describe two different Opt-Out rights that allow you to take action to restrict how your financial institution may disclose your personal information to an unrelated business and your credit information to a related business. A “related” business is a business that shares a common ownership with your financial institution.

A financial institution may state in its privacy notice that it will never disclose any type of nonpublic, personal information to any type of related or unrelated business except as permitted by law. If your financial institution totally restricts disclosure of nonpublic personal information, then it does not need to describe any Opt-Out rights.



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WHAT IS NONPUBLIC PERSONAL INFORMATION?

Nonpublic personal information is any information about you that is not available to the general public. For example, if you have a listed phone number, it is available to the general public. If your phone number is not listed, it must be treated as nonpublic personal information.

Nonpublic personal information includes any information about you collected by a financial institution, either from you or from other sources, that is not available to the general public. It also includes any information about your account, policy or credit card purchases or payment history. Even the fact that you applied for or received a financial service or product is nonpublic information. If you Opt-Out, your name cannot appear on a customer list for that financial institution.

EXCEPTIONS AND LIMITATIONS

These Opt-Out rights do not apply to the disclosure of information allowed to be shared by law, or to the disclosure of information necessary to process your application, or to provide a financial product or service.

HOW CAN YOU OPT-OUT?

The privacy notice you will receive will explain how to Opt-Out. Your financial institution is required to provide you with a reasonable means to Opt-Out, so your privacy notice may include:

- a reply form or prominent check-off box to Opt-Out;
- a toll-free number to Opt-Out; or
- an electronic Opt-Out, if you have agreed to the electronic delivery of information.

You may be required to follow one procedure to Opt-Out of disclosures to unrelated businesses and a different procedure to Opt-Out of disclosures to related businesses.

RELATED BUSINESSES

You have the right under the Fair Credit Reporting Act to keep a financial institution from disclosing certain types of credit information to related businesses. This Opt-Out right is limited to credit report information. Your financial institution will be able to disclose other nonpublic personal information about you to its related businesses, even if you Opt-Out of having your credit information disclosed. Thus, opting out will not end telemarketing calls or junk mail, but it will reduce them. It may also reduce your chances of becoming a victim of identity theft. In addition, opting-out will indicate to financial institutions and elected representatives that privacy is important to you.

Your privacy notice must explain how you can Opt-Out to keep your personal credit information from being disclosed to a related business. Credit information includes information about your credit worthiness, credit standing, credit capacity, character, general reputation and mode of living, but does not include information about your transactions with your financial institution or other types of nonpublic personal information.

UNRELATED BUSINESSES

Your privacy notice from a financial institution must explain how you can elect to Opt-Out to keep your nonpublic personal information from being disclosed to an unrelated business.

WHEN CAN I OPT-OUT?

You can Opt-Out at any time. If you do not choose to Opt-Out within a reasonable amount of time after having received your privacy notice, your financial institution may begin disclosing your nonpublic personal or credit information until you do Opt-Out. So, if you want to Opt-Out, you should do so as soon as possible.

HOW LONG WILL MY OPT-OUT LAST?

Your election to Opt-Out will continue to protect your personal information from disclosure in the future for as long as you maintain your customer relationship. So, even though you will receive annual privacy notices explaining your right to Opt-Out, you do not need to Opt-Out more than once. Your Opt-Out election will only end when you tell a financial institution that it may disclose your personal information to others. If you stop doing business with a financial institution, you should Opt-Out again if you become a customer again in the future.

Do these rights apply to financial products or services that I purchase on the Internet?

Yes. The privacy notice requirements and Opt-Out rights apply to any business you may transact with a financial institution, including transactions conducted over the Internet.

DOES MY OPT-OUT RIGHT APPLY TO MY MEDICAL INFORMATION?

Yes. Nonpublic personal information would include any medical or health-related information collected by financial institutions. Please check your privacy notice from your insurance company or other financial institution for details concerning how your personal medical or health information will be treated.

If you receive an Opt-Out agreement which is too difficult to understand, or if you believe a financial institution is ignoring your request, contact the New Jersey Division of Consumer Affairs at 973-504-6200.

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